

## **Independent Auditor's Report**

**To the Members of**

***PHOENA BUILDERS & DEVELOPERS PRIVATE LIMITED***

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ***PHOENA BUILDERS & DEVELOPERS PRIVATE LIMITED ("the Company")*** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's



judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that ar

appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Loss and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of



the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of

**Chandra Gupta & Associates**

*Chartered Accountants*

Firm's registration number: 000259N



**Rajeev Sabharwal**

*Partner*

Membership number: 071742

Place: Gurgaon

Date: 27.04.2016

## **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) The Company does not have any fixed assets hence the clause is not applicable.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
b) No discrepancies noticed on physical verification of the inventory as compared to books records.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) The Company has not given any loan, guarantee, security or made any investment to be reported under this clause.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.  
b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.



- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

**Chandra Gupta & Associates**

*Chartered Accountants*

Firm's registration number: 000259N



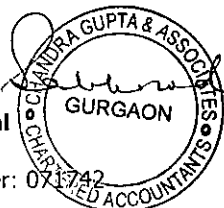
**Rajeev Sabharwal**

*Partner*

Membership number: 071742

Place: Gurgaon

Date: 27.04.2016



**Phoena Builders & Developers Private Limited**

Balance Sheet as at March 31, 2016

(Amount in Rs.)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	100,000	100,000
(b) Reserve and Surplus	4	5,401,500	5,418,684
<b>Current Liabilities</b>			
(a) Other Current Liabilities	5	106,769,400	106,769,186
		<u><u>112,270,900</u></u>	<u><u>112,287,870</u></u>
<b>II. ASSETS</b>			
<b>Current Assets</b>			
(a) Inventories of land	6	111,943,600	111,921,541
(b) Cash and cash equivalents	7	327,300	366,329
		<u><u>112,270,900</u></u>	<u><u>112,287,870</u></u>

Summary of significant accounting policies 2


See accompanying notes to the financial statements.

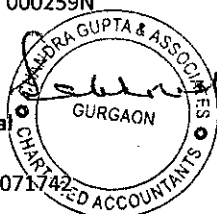
As per our report of even date attached

**Chandra Gupta & Associates**

Chartered Accountants


Registration No. 000259N

  
**Rajeev Sabharwal**  
 Partner  
 Membership No. 0711742



For and on behalf of the Board of Directors

  
**Ramchandra Prasad Sah**  
 Director  
 DIN 00914686

  
**Krishan Kumar Sheera**  
 Director  
 DIN 06802349

Place : Gurgaon

Dated : 27.04.2016

8

**Phoena Builders & Developers Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

( Amount in Rs.)

Particulars	Notes	For the year ended on March 31, 2016	For the year ended on March 31, 2015
<b>REVENUE</b>			
Other Income	8	9,801	-
<b>Total</b>		<b>9,801</b>	-
<b>EXPENSES</b>			
Purchases of inventories of land	9	22,059	907,242
(Increase)/Decrease in inventories of land	10	(22,059)	(907,242)
Finance Cost	11	-	747
Other expenses	12	26,985	28,583
<b>Total</b>		<b>26,985</b>	<b>29,330</b>
Profit/(loss) before tax		(17,184)	(29,330)
Tax expense			
Current tax		-	-
Previous year Tax		-	-
Profit (Loss) for the year/previous year after tax		<b>(17,184)</b>	<b>(29,330)</b>
<b>Earnings per equity share</b>			
Basic and Diluted	13	(1.72)	(2.93)
Summary of significant accounting policies	2		

See accompanying notes to the financial statements.

As per our report of even date attached

**Chandra Gupta & Associates**

Chartered Accountants

Registration No. 000259N

Rajeev Sabharwal

Partner

Membership No.071742



For and on behalf of the Board of Directors

Ramchandra Prasad Sah

Director

DIN 00914686

Krishan Kumar Sheera

Director

DIN 06802349

Place : Gurgaon

Dated : 27.04.2016

8